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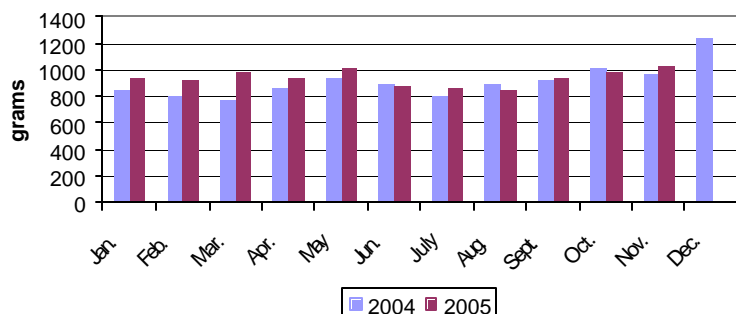
Poultry Programs

Market News Branch

Japanese Poultry Demand Shifts to Prepared Poultry

Japan is one of the world's largest importers of poultry meat. In 2005, Japan imported 763,636.4 MT of fresh, chilled, frozen and preserved poultry meat, almost 40% of domestic consumption. Imports were valued at nearly \$2.02 billion. Japan's total broiler consumption in 2006 is projected to be about 1.88 million MT, unchanged from 2005.

Japanese Monthly Consumption of Chicken, grams per household



Prior to the outbreaks of high path avian influenza (HPAI) in East and Southeast Asia at the end of 2003, Thailand and China were Japan's major suppliers of poultry meat and prepared poultry, followed by Brazil and the United States. After the HPAI outbreaks in China and Thailand, Japan banned imports of fresh, chilled or frozen broiler meat from those countries, later only allowing cooked product from MAFF designated plants under a bilateral health protocol worked out in 2004. There are currently 49 plants in Thailand and 35 plants in China designated by MAFF for exports to Japan of cooked products.

Japanese Imports Broiler Meat in Metric Tons

	2003	2004	2005	Change 2005/04	Share 2005
World	466,115	353,791	419,119	18%	100%
Brazil	174,941	296,053	378,465	28%	90%
U.S.	47,185	29,586	28,924	-2%	7%
Chile	90	3,867	5,949	54%	1%
Philippines	45	1,017	1,643	62%	0%
Others	243,853	23,268	4,137	-85%	1%

Product HS Code: HS 0207.14.220, HS 0207.14.210, HS 0207.12 and 0207.11. Source of data: Japan Customs (World Trade Atlas)

Brazil has become the principle supplier of fresh, chilled, and frozen poultry meat to Japan. However, U.S. gains were limited due to constraints on the ability to constantly supply the bulk of "boneless cuts - leg meat" as Brazil does. An animal health protocol worked out last year between U.S. and Japan on heat-processed poultry meat and liquid heat-treated egg products should allow the U.S. to be able to ship the pre-cooked products irrespective of AI status such as an import ban on

generic meat due to HPAI. To date, the final implementation of the protocol is pending.

In Japan there is a perception that people can contract bird flu by handling any poultry meat. This perception triggered Japan's shift away from all poultry meat, but especially fresh, chilled, or frozen poultry meats. As people became aware that cooking meat kills the HPAI virus, consumer demand for prepared and preserved poultry meat increased, and Japanese importers responded by increasing the quantity of imported prepared, pre-cooked poultry meat.

Japanese Imports of Prepared Broiler Products in Metric Tons

	2003	2004	2005	Change 2005/04	Share 2005
World	228,225	228,209	329,088	44%	100%
China	132,353	123,282	178,410	45%	54%
Thailand	90,750	98,541	145,983	48%	44%
Brazil	414	2,634	3,489	32%	1%
South Korea	338	345	642	86%	0%
U.S.	3,658	184	459	150%	0%
Others	711	3,224	105	-97%	0%

Product HS Code: HS 1602.32.290. Source of data: Japan Customs (World Trade Atlas)

Japan's total imports of cooked poultry meat preparations initially dropped sharply from 59 million pounds in December 2003 to 2.5 million pounds in March 2004, in a first response to HPAI outbreaks. However, Japan's imports of cooked poultry meat preparations recovered rapidly to exceed their pre-HPAI outbreaks level. The increase of imports of cooked poultry meat preparations were likely needed to rebalance Japan's domestic demand for poultry meat, given that lower quantities of uncooked poultry products (fresh, chilled, or frozen poultry meat) were being imported. In December 2005, imports of poultry meat preparations amounted to 73 million pounds, and for all of 2005 total imports were 44 percent higher than those in 2004.

Japan: Frozen Egg Imports (in metric tons)

	Frozen Whole Eggs	Frozen Yolks	Frozen Albumen	Total
2004				
November	308.4	1,830.6	0.0	2,139.0
December	261.1	1,623.7	0.0	1,884.8
To date	2,692.9	10,977.1	2.0	13,672.0
2005				
November	399.3	573.3	383.9	1,356.5
December	427.8	423.0	165.0	1,015.8
To date	5,431.5	17,246.7	2,663.5	25,341.7

Source: Ministry of Finance "Japan Exports and Imports" ALIC
Source: USDA/ERS, USDA/FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending March 11, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	155	310	1,931	2,539
Frozen	0	0	40	0
Dried	0	0	120	61
Total	155	310	2,091	2,600

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending March 11, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	81	202	541	2,106
Frozen	7	44	189	255
Dried	0	0	41	300
Total	88	246	771	2,661

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending March 11, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	33	150	33
Extra Large	1,530	2,990	10,410	48,200
Large	1,520	6,680	13,105	110,784
Medium	2,370	1,590	12,905	11,025
Ungraded	0	240	3,950	2,492
Misc	0	0	810	3,013
Total	5,420	11,533	41,330	175,547

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 17, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	22.00	17.00	142,000	-
WTD AVERAGE	22.00	17.00		
15-20%				
RANGE	15.50-20.00	12.00-16.00	929,600	440,800
WTD AVERAGE	15.91	13.83		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S./Canadian Live Poultry Slaughtered Under Inspection

W/E 11-Mar-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	977	1,580	2,557
Last Week	1,095	1,527	2,622
Same week yr ago	1,720	1,317	3,037
To-date/2006	12,514	14,216	26,730
To-date/2005	14,535	12,919	27,454

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	171	0	171
Last Week	312	0	312
Same week yr ago	261	7	268
To-date/2006	2,620	7	2,627
To-date/2005	3,132	11	3,143

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,148	1,580	2,728
Last Week	1,407	1,527	2,934
Same week yr ago	1,981	1,324	3,305
To-date/2006	15,134	14,223	29,357
To-date/2005	17,667	12,930	30,597

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 17, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	17.50	15.00-19.00	582,000	-
WTD AVERAGE	17.50	15.86		
15-20%				
RANGE	14.50-21.00	13.00-15.00	1,968,000	1,248,000
WTD AVERAGE	17.60	14.22		
20% OR MORE				
RANGE	-	13.00	80,000	-
WTD AVERAGE		13.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 17 MARCH 2006.

The market tone on tom drums was slightly mixed ranging from steady at best to fully steady, tom wings and necks steady. Demand on tom drums light to instances good, mostly moderate; balance of tom bulk parts light to moderate. Offerings of tom drums short to adequate, balance of tom bulk parts light to adequate. The market tone on hen bulk parts ranged from at least steady to barely steady with product from larger sized hens in the weakest position. Demand light to moderate for the light to instances fully adequate offerings. Trading was active and centered on white meat for domestic shipments and thigh meat for export. For domestic: hearts 24, tom defatted gizzards 51, fresh wing meat with skin 75, fresh scapula 112-122 mostly 112-115, fresh breast trim 117. Grade A basted 8-10 lb. rib breasts 135 and 12-16 lb. 165 cents delivered. For export: fresh -20% MST 19, tom necks 34-35, tom defatted gizzards 53-60, frozen tom breast meat 160 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MARCH 17, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	47.00		47.00	80	45.56	360
WINGS FULL-CUT - TOMS	24.00		24.00	40	25.15	94
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN	70.00-76.00		73.02	232	71.31	846

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 16, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	44.50	160
WINGS FULL-CUT - TOMS		T	26.00	54
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	68.00		68.00	104

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 15, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	44.50	160
WINGS FULL-CUT - TOMS		T	26.00	54
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	20.17	120
THIGH MEAT - FROZEN	75.00		75.00	200

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 14, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	44.00-46.00		44.50	160
WINGS FULL-CUT - TOMS	26.00		26.00	54
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	20.17	120
THIGH MEAT - FROZEN	68.00		68.00	270

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 13, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	46.00		46.00	120
WINGS FULL-CUT - TOMS		W	25.00	54
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	20.17	120
THIGH MEAT - FROZEN	74.00		74.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.